



FROM THE EXECUTIVE OFFICER'S DESK

Develop directors and governance

By Graeme Charles

At last, the Federation's 'Developing Directors of Co-operatives' program and kit is finalised.

The kit should be available in March and your co-operative can expect to soon receive specific information about it and accompanying workshops.

'Developing Directors of Co-operatives' is a short program of discussion material to help current and potential directors of co-operatives to:

- explore the director's role and responsibilities;
- identify essential and desirable knowledge, skills, attitudes and behaviours; and
- identify pathways for developing these qualities.

The kit has been developed for the Federation by member co-operative, Active Learning & Communication Co-operative. As it is based on the Learning Circle Method, it is also a first for Australian co-operatives.

In commending the kit to co-operatives, I truly believe its appeal lies in its flexibility and capacity to minimise the time, travel and cost demands on co-operatives and their members.

The kit has three separate sessions:

- The Big Picture
- Getting Down to Essentials
- Development Paths for Directors

It also includes an introduction to learning circles (the learning methodology the kit is based on), a program guide and a resource book.

These sessions and accompanying tools are all designed to make the program work for you.

Developing Directors has been designed as a stand-alone learning resource, but it can be used in conjunction with introductory workshops offered by the Federation.

These workshops will be available to individual co-operatives and groups of co-operatives (e.g. on a regional or industry-specific basis).

They can also be tailored to co-operative employees, managers, members or directors.



It is certain to be an invaluable resource for anyone wishing to learn and understand more about the co-operative difference.

For example, co-operatives may decide to distribute the program materials to their members for use in conjunction with regular board or other members' meetings, or for use by informal groups of interested members including directors.

State Government support

Each year, the Victorian Government, through the department which oversees co-operatives in this state – Consumer and Business Affairs Victoria (CBAV) – provides funding to enable the Federation to undertake specific projects.

This year we have received \$25,000 from CBAV. It will be used for two projects:

1. To produce and market the initial Developing Directors of Co-operatives Kit and Program.
2. To continue distributing **Victorian Co-operative News** to about 500 Victorian co-operatives.

Just a reminder: the Federation's member co-operatives receive multiple copies of **Victorian Co-operative News** and **National Co-op Update** for all their directors.

The Federation wishes to publicly acknowledge and thank the Victorian Government for its on-going support for Victorian co-operatives.

In addition, the State Government, through the Minister for Agriculture, **Keith Hamilton**, is supporting a Federation proposal to produce a co-operatives start-up manual and accompanying workshops for staff and other interested people connected with the Departments of Natural Resources & Environment.

The Federation believes that there are many opportunities for new co-operative enterprises throughout rural Victoria.

The proposed manual will make the process of identifying and acting on co-operative opportunities as easy as possible for rural Victorians.

In a letter to the Federation, Mr Hamilton said, "I look forward to the successful outcome of the project and hope that it leads to the development of a range of new rural co-operatives in Victoria".

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It is expected that the manual will be completed and delivered by June 30, 2001.

Again, the Federation wishes to acknowledge and thank Mr Hamilton for this tangible demonstration of his support for and interest in the co-operative option for rural Victorians.

Marketing our advantage

As mentioned in the last issue of VCN, the Federation will be hosting a visit to Victoria in May by **Tom Webb** of Global Co-operation Inc.

Global Co-operation is a consulting business based in Nova Scotia, Canada, dedicated to the idea that co-operation is good business.

It offers consulting, education, information programs, workshops and materials to help make co-operatives and credit unions be the best business they can through co-operative excellence.

Mr Webb's approach, based on years of experience and the study of co-operatives, has led him to conclude:

- Co-operatives offer the most hopeful business alternative in a world where global trends are fraught with problems.
- In a co-operative, every area of management activity requires a unique co-operative approach.
- Both boards and managers share the responsibility for co-operative leadership.
- The social role of a co-operative is justice (enlarging the democratically owned portion of the economy), not charity (giving dented cans of food to the poor).
- Making money is an integral part of our co-operative values – it allows us to invest co-operatively for the benefit of our families, communities and our society.
- Co-operation among co-operatives is real only when it consists of practical business links.
- Co-operatives need to reinvent their businesses continuously to respond to changing member need and the emerging global social-economy.

The Federation is planning at least one major event featuring Mr Webb for Victorian co-operatives around May 14. It is most likely to be a 'Marketing Our Co-operative Advantage' (MOCA) workshop.

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"This workshop involves an exciting new approach to marketing and education in co-operatives," Mr Webb said. "It explores leading-edge ideas about how your co-operative or credit union can use its co-operative nature as its unique selling point."

Would you be interested in attending the workshop?

It could be scheduled for Sunday, May 13, if that would be easier to attend than Monday, May 14.

There is also the possibility of a daytime and an evening workshop on May 14, or something outside of Melbourne.

If you have a strong preference for a particular place, day or time, contact me as soon as you can.

Further details will be released as they are finalised, but please keep these proposed dates free.

Annual General Meeting

The special general meeting which preceded the 2000 annual general meeting (AGM) at Co-operative Purchasing Services on December 18 resolved to reduce the Federation's board of directors from 10 to nine.

At the annual meeting, the following directors were elected to the board for a period of three years:

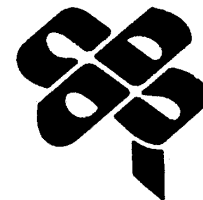
- **Ron Stone** (Ballarat Community Development Centre Co-op) and **Malcolm Boyce** (Emerald & District Co-op. Soc.) were re-elected;
- **Peter Jamieson** (North East Telecommunication Co-op) and **Tony O'Shea** (Avoca District Co-op) were newly elected; and
- **Chris Greenwood**, the editor of *National Co-op Update*, was approved and appointed as the Federation's independent director.

The AGM also resolved to keep annual subscription levels for this and next financial year at their existing levels.

There is one exception. Beginning in 2001/2002, the current minimum subscription level of \$50 will increase to \$100, with the provision that a co-operative on the minimum level will only be required to pay \$50 in its first year of membership.

Before ending this contribution to *Victorian Co-operative News*, I would like to draw your attention to two matters referred to elsewhere in this issue:

- The Member Profile section features CEPA Co-operative. Put together by CEPA's general manager, **Rob Bogumil**, I recommend this profile to you. To my mind, CEPA has got its co-operative focus right and is a fine example of what the co-operative difference is all about.
- This issue also includes a readers' survey. Please take the time to complete the survey. We can only respond to your interests and wishes if we know about them.



Co-ops past and future

By David Griffiths

The Co-operative Federation of Victoria's archives are important, for they publicly record our experiences, developments and decisions since 1970.

When Executive Officer, **Graeme Charles**, took up his position in September 1999, these documents were in folders stored in boxes and filing cabinets.



Graeme and I have discussed the problem and determined that there should be an archive catalogue for the benefit of future boards and executive officers.

I am developing this catalogue. It will not just be a listing of all the Federation's historical documents, but a searchable database. This will make it possible to search for and obtain a listing of every document the database refers to, for example, the Co-operative Advisory Council or the Ministerial Advisory Committee on Co-operation.

.coop

The Co-operative Federation of Victoria made a submission in support of the US's National Cooperative Business Association's (NCBA) application to the Internet Corporation for Assigned Names and Numbers (ICANN) for an Internet domain – .coop

The application was a success: one of seven names approved from 180 proposed new domain names.

Recently **Paul Hazen**, the president and CEO of the NCBA, wrote to acknowledge our efforts.

"NCBA's proposal for .coop stood out in the crowd because it was not only free from controversy, but also surrounded by overwhelming support by the international co-operative community," he wrote.

Mr Hazen also thanked the Federation. "Thank you again for your support and quick response to NCBA's calls to action on .coop. You truly made a difference and NCBA is grateful for your efforts," he wrote.

Thirty years on

Recently I have been reading the minutes of the Co-operative Federation of Victoria's Council/Board since its first meeting on October 26, 1970.

What is most striking about these records is similarity between the themes, issues and choices of the past and present.

In 1977, for example, the Council noted that the Federation must increase membership and develop

greater member involvement, including better communication between co-operatives and a greater sharing of the problems of co-operatives.

It was agreed that there was a need to formulate what the Federation could offer to members and how to gain this greater member involvement – thus defining the reasons and benefits for members.

In 1984, there was a special meeting of the board to consider future directions for the Federation. A discussion paper prepared for the meeting described the Federation's role as promotional, advisory, educational and support services. It also noted that the image of co-operation and co-operatives was not newsworthy and of little interest to media, along with an apparent stalemate in increasing member numbers.

The lesson from this is that our hopes and plans for need to be grounded in reality and acknowledge the difficulties. Difficulties, however, do not diminish our commitment to continuous improvement.

A new power

The US state of California has a dysfunctional energy market characterised by price volatility, supply uncertainty, rolling blackouts and the threatened bankruptcy of major utilities.

Could this situation be repeated in Victoria? Domsayers claim California's experience is a warning about Victoria's privatised market. Free marketers claim Victoria's energy market is structured differently and excludes California's problems. The truth lies somewhere in between.

Co-operatives are a way to address the problems of a privatised energy market. In January 2001, the Utility Consumers Action Network based in San Diego, reported on California's energy crisis. One of seven remediation steps it suggested was the creation of a power insurance procurement co-operative, modelled after the California Health Insurance Purchasing Co-operative.

Co-operatives create purchasing power through mutual action, irrespective of any legislative and regulative framework. That is why the Co-operative Federation of Victoria and Co-operative Energy are committed to an energy aggregation initiative.

At a co-operative energy aggregation meeting in Victoria last December it was agreed that co-operatives would be asked to authorise Co-operative Energy to negotiate on their behalf, on a without-obligation basis. The authorisation form will be sent to interested co-operatives in February 2001.

Notes of the meeting are available from the Federation's Executive Officer, Graeme Charles.

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CEPA Co-operative Limited

Agricultural trading co-operative, CEPA Co-operative Limited has been operating in Bendigo since its establishment in 1963. It has been a member of the Co-operative Federation of Victoria since 1997.

Formerly the Commercial Egg Producers Association of Victoria, founded in the 1930s, the association had two branches in Bendigo and South Bendigo. They later merged to form CEPA Co-operative, which trades as CEPA farm supplies.

The co-operative is wholly owned by about 1000 active members. It is governed by a board of directors and managed by general manager/secretary, **Rob Bogumil**.

While the co-operative originally catered primarily to the poultry and pig industries, Mr Bogumil said it had changed over the years and continued to change.

"We've come along way since the early days. We're now a dynamic and diversified co-operative operation," he said.

"Because the poultry industry has declined in our region and the pig industry fluctuates quite dramatically, our markets have changed and we must change with them."

While still supporting traditional

members, the co-operative has extended its range of products to cater for numerous other agribusiness and related industries, such as the equine industry.

"We have become a retail business servicing a wide range of members and non-members alike. Membership, however, is growing as people become aware of the advantages of membership of our co-operative and of purchasing co-operatively," Mr Bogumil said.

The co-operative's aim is to provide members with the best prices and support, while ensuring responsible and efficient business practices, and sound growth.

"Part of my job is to continually explore new benefits and opportunities for members. In 2000, we introduced fuel purchasing (both bulk and bowser) for members through a national supplier," Mr Bogumil said. "Our arrangements and discounted prices would be hard to beat anywhere."

"Members may also buy tyres for any type of vehicle, along with a variety of general agribusiness-related products through our network 'arrangements' with other businesses. These arrangements allow us to concentrate on our

core business and still provide members with a range of benefits."

CEPA is exploring insurance and financial services as additional member benefits.

"We're nothing up-market, just a down-to-earth, no-frills co-operative. We concentrate on providing members with the best possible products, services and prices in a co-operative and professional environment," Mr Bogumil said.

CEPA has established a website – www.cepa.com.au – and offers on-line ordering, and free local and on-farm delivery for members.

"Exposure is important and we have experienced encouraging success from conservative advertising through radio, TV, print media and the Internet. We also produce a monthly members' newsletter," Mr Bogumil said.

"It's all about letting people know who and where you are, then listening to them and doing your best to support them. We encourage participation and provide a friendly environment where members, their families and even their pets are welcome. Your members are your business, without them it's all over." ■

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